

# Capital Equipment Questionnaire

## Charter

The Financial Planning and Accounting for Capital Equipment Working Group was formed to develop recommendations to FMSIC surrounding capital equipment issues in the DOE Complex. Our members are:

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|--------------------------------|--------------------|
| – Jennifer Girand, Sandia      | Tracie Cowen, PNL  |
| – Sue Szitzka, ANL<br>ORNL     | Michael Emery,     |
| – Nesbit Harris, KCP           | Lynn Billman, NREL |
| – Tammy Milligan, LANL<br>LLNL | Roxana Hodges,     |

The original concern that brought about the group is how to obtain adequate funding for capital equipment needs to ensure the Complex meets its mission. In the process we are identifying barriers/issues surrounding the acquisition of capital assets, sharing best practices, and proposing recommendations.

We would like to incorporate any issues, best practices, or recommendations you may have and would appreciate receiving your responses to the questions below. Please respond by August 20, 2004 to [hodges3@llnl.gov](mailto:hodges3@llnl.gov).

1. What are your internal rules for determining whether an equipment expenditure is capital versus operating? In particular: What constitutes an upgrade/betterment? What is your approach when a piece of equipment is part of a system? Other rules?
2. What would your lab deem as “best practices” concerning capital equipment?
3. Does your lab encourage equipment leases? Do you have a standard procedure for evaluating leases? If so, please provide details.
4. Has your lab had success in getting the Department of Homeland Security to fund equipment? If so, what are your procedures for handling these acquisitions?
5. Has your lab undertaken any new equipment acquisition strategies in the past three years? If so, please explain.
6. What issues/barriers have you come up against in acquiring equipment?
7. How does your lab fund institutional, multi-organizational, and service center capital purchases? Do you have any issues with the process?
8. How do you handle the cost incurred to excess capital equipment?

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9. What recommendations do you suggest for enabling adequate funding to meet capital equipment needs?
10. What is your process for reporting Deferred Maintenance for personal property? Do you have a system for ranking the condition of equipment to determine criticality of replacement?
11. Do you determine the installation cost of the capital equipment prior to making the purchase and hold the funds until the equipment arrives or budget for it in a later year upon arrival of the equipment?
12. At the time you place the order for capital equipment, do you commit the dollars for burden and/or installation as well?
13. What are the burden rates that are applied to the purchase of capital equipment?
14. For the last two years, what percent of your capital equipment disposals and sales were to states and Other Federal Agencies?